RESERVES REPORT

Form 51-101F1

Petro-Reef's proved plus probable net reserves, based on an independent engineering year-end evaluation, indicated an increase of 45.2 percent to 2,281.0 MBOE from 1571.2 MBOE in the previous year, after extensions, technical revisions, discoveries, acquisitions, economic factors, and net production of 351.0 MBOE.

Reserves were 67.7% natural gas and 32.3% crude oil and natural gas liquids. Reserve replacement ratio was positive by 3.0 times.

Of the total net reserves reported (using forecast prices) Petro-Reef's reserves are 62.2% proved and 37.8% probable.

Reserves are classified according to the degree of certainty associated with the estimates.

1) Proved Reserves

Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

2) Probable Reserves

Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

3) Possible Reserves

Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves. Possible reserves have not been considered in this report.

RESERVES RECONCILIATION

The December 31, 2008 evaluation was prepared using definitions in accordance with National Instrument 51-101. Estimates are prepared such that there is a 90% probability that at least the estimated proved reserves will be recovered and a 50% probability that at least the sum of the estimated proved reserves plus probable reserves will be recovered. The reserves reconciliation reflects current proved plus probable reserves. Both the December 31, 2007 and the December 31, 2008 reports were prepared by Sproule Associates Limited.

1) Reserves Value

Using a ten percent (10%) NPV, the value of proved plus probable reserves at forecast prices and costs (before Income Taxes) increased by seventy two percent (72%) compared with last year's established reserves.

2) Reserve Life Index (as at December 31, 2008).

Based on established reserves and production volumes, Petro-Reef's reserve life index was 7.1 years on a proved producing basis at the end of 2008 compared with 5.5 years at the end of 2007. Petro-Reef's reserve life index (RLI) is an indication of the number of years it would take to deplete the Company's reserves. The RLI is obtained by dividing the year end reserves by the average daily production of oil, natural gas and natural gas liquids for a calendar year as estimated and determined by the independent reserves evaluator.

3) Evaluation Standards

This report has been prepared by Sproule Associates Limited using current geological and engineering knowledge, techniques and computer software. It has been prepared with the Code of Ethics of the Association of Professional Engineers, Geologists and Geophysicists of Alberta ("APEGGA"). Finally, this report adheres in all material aspects to the "best practices" recommended in the COGE Handbook which are in accordance with principals and definitions established by the Calgary Chapter of the Society of Petroleum Evaluation Engineers. The COGE Handbook is incorporated by reference in National Instrument 51-101.

4) The Evaluation of the petroleum and natural gas

The Evaluation of the petroleum and natural gas reserves of Petro-Reef Resources Ltd. has been approved by the company's reserve committee and the board of directors.

5) Statement of Reserves Data

Following is a detailed report on the reserves and future net revenue in six parts:

Part 1	Date of Statement
Part 2	Disclosure of Reserves Data
Part 3	Pricing Assumptions
Part 4	Reconciliation's of changes in Reserves and Future Net Revenue
Part 5	Additional Data Relating to Reserves Data
Part 6	Other Oil and Gas Information

FORM 51-101F1
STATEMENT OF RESERVES DATA
AND OTHER OIL AND GAS INFORMATION

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PART 1 DATE OF STATEMENT

1.1 Relevant Dates

1. Date the statement: March 18, 2009
2. Effective date: December 31, 2008
3. Preparation date: Between February 1 and March 17, 2009

PART 2 DISCLOSURE OF RESERVES DATA

2.1 Reserves Data (Forecast Prices and Costs)

2.1.1 Reserves Gross and Net (Forecast Prices and Costs)

N1 51-101
Summary of Oil and Gas Reserves
as of December 31, 2008
Forecast Prices and Costs

Reserves

	Light and Medium Oil		Heavy Oil		Natural Gas (non-associated & associated)		Natural Gas (solution)		Natural Gas Liquids	
Reserves Category	**Gross (Mbbl)**	**Net (Mbbl)**	**Gross (Mbbl)**	**Net (Mbbl)**	**Gross (MMcf)**	**Net (MMcf)**	**Gross (MMcf)**	**Net (MMcf)**	**Gross (Mbbl)**	**Net (Mbbl)**
Proved										
Developed Producing	313.9	274.8	0.0	0.0	3,867	2,744	843	715	19.4	14.1
Developed Non-Producing	0.0	0.0	0.0	0.0	1,235	1046	0	0	1.4	1.2
Undeveloped	83.2	69.3	0.0	0.0	0	0	131	112	0.0	0.0
Total Proved	**397.1**	**344.1**	**0.0**	**0.0**	**5,102**	**3,790**	**974**	**826**	**20.9**	**15.3**
Probable	302.8	248.9	0.0	0.0	2,538	1,932	650	534	16.3	13.1
Total Proved Plus Probable	**700.0**	**593.0**	**0.0**	**0.0**	**7,640**	**5,722**	**1,623**	**1361**	**37.2**	**28.3**

2.1.2 Net Present Value of Future Net Revenue (Forecast Prices and Costs)

N1 51-101 Summary of Net Present Values of Future Net Revenue as of December 31, 2008 Forecast Prices and Costs											
	Net Present Values of Future Net Revenue										
	Before Income Taxes Discounted at (% / Year)					After Income Taxes Discounted at (% / Year)					Future Net Value
Reserves Category	**0 (M$)**	**5 (M$)**	**10 (M$)**	**15 (M$)**	**20 (M$)**	**0 (M$)**	**5 (M$)**	**10 (M$)**	**15 (M$)**	**20 (M$)**	**10%/yr ($/boe)**
Proved											
Developed Producing	41,109	33,850	28,878	25,283	22,573	36,820	30,280	25,832	22,632	20,228	33.37
Developed Non-Producing	7,597	5,251	3,827	2,904	2,273	5,791	3,950	2,846	2,136	1,653	21.81
Undeveloped	4,046	2,759	1,961	1,437	1,076	3,010	2,028	1,416	1,013	734	22.31
Total Proved	**52,752**	**41,860**	**34,666**	**29,624**	**25,922**	**45,622**	**36,258**	**30,094**	**25,781**	**22,615**	**30.71**
Probable	33,262	23,488	17,717	13,987	11,409	24,959	17,436	13,032	10,200	8,248	26.32
Total Proved Plus Probable	**86,014**	**65,348**	**52,383**	**43,612**	**37,331**	**70,581**	**53,694**	**43,126**	**35,980**	**30,863**	**29.07**

Notes:

1) NPV of FNR include all resource income:
   - Sale of oil, gas, by-product reserves
   - Processing third party reserves
   - Other income

2) Income Taxes
   - Includes all resource income
   - Apply appropriate income tax calculations
   - Include prior tax pools

2.1.3 Future Net Revenue Undiscounted (Forecast Prices and Costs)

N1 51-101 Total Future Net Revenue Undiscounted as of December 31, 2008 Forecast Prices and Costs								
Reserves Category	**Revenue (M$)**	**Royalties (M$)**	**Operating Costs (M$)**	**Develop-ment Costs (M$)**	**Well Abandon-ment/ Other Costs (M$)**	**Future Net Revenue Before Income Taxes (M$)**	**Income Taxes (M$)**	**Future Net Revenue After Income Taxes (M$)**
Proved	92,686	17,359	20,667	1,318	591	52,752	7,130	45,622
Proved Plus Probable	153,472	29,502	33,391	3,799	766	86,014	15,433	70,581

2.1.4 Future Net Revenue by Production Group before Income Tax (Using Forecast Prices and Costs – Using a discount rate of 10%)

N1 51-101 Net Present Value of Future Net Revenue By Production Group as of December 31, 2008 Forecast Prices and Costs			
Reserves Category	**Production Group**	**Future Net Revenue Before Income Taxes Discounted at 10% Year M$**	**Unit Value Before Income Taxes Discounted at 10% Year $/BOE**
Proved	Light and Medium Crude Oil (including solution gas and associated by-products)	14,545	30.19
	Heavy Oil (including solution gas and associated by-products)	0	0
	Natural Gas (including associated by-products)	20,121	31.10
Proved Plus Probable Reserves	Light and Medium Crude Oil (including solution gas and associated by-products)	22,812	27.83
	Heavy Oil (including solution gas and associated by-products)	0	0
	Natural Gas (including associated by-products)	29,571	30.11

PART 3 PRICING ASSUMPTIONS

3.1 FORECAST PRICES USED IN ESTIMATES

N1 51-101
Summary of Pricing and
Inflation Rate Assumptions
as of December 31, 2008
Forecast Prices and Costs

Year	WTI Cushing Oklahoma ($US/bbl)	Edmonton Par Price 40º API ($Cdn/bbl)	Cromer Medium 29.3º API ($Cdn/bbl)	Natural Gas [1] AECO Gas Prices ($Cdn/MMBtu)	Pentanes Plus F.O.B Field Gate ($Cdn/bbl)	Butanes F.O.B. Field Gate ($Cdn/bbl)	Inflation Rate [2] (%/Yr)	Exchange Rate [3] ($US/$Cdn)
Historical								
2004	41.42	52.91	45.72	6.87	53.91	41.37	1.4	0.770
2005	56.46	69.29	45.62	8.58	69.13	45.20	1.3	0.826
2006	66.09	73.30	51.54	7.16	75.03	59.32	1.5	0.882
2007	72.27	77.06	53.16	6.65	77.33	63.71	2.0	0.935
2008 est.	99.59	102.85	84.31	8.15	104.70	75.10	1.0	0.943
Forecast								
2009	53.73	65.35	58.16	6.82	66.93	51.15	2.0	.800
2010	63.41	72.78	66.23	7.56	74.54	54.25	2.0	.850
2011	69.53	79.95	72.76	7.84	81.88	59.59	2.0	.850
2012	79.59	86.57	79.65	8.38	88.66	64.53	2.0	.900
2013	92.01	94.97	87.38	9.20	97.27	70.79	2.0	.095
Thereafter			Various Escalation Rates					

1) This summary table identifies benchmark reference pricing schedules that might apply to a *reporting issuer*.
2) Inflation rates for forecasting prices and costs.
3) Exchange rates used to generate the benchmark reference prices in this table.

Notes:
Product sale prices will reflect these reference prices with further adjustments for quality and transportation to point of sale.

Forecast prices and costs as supplied by Sproule Associates Limited.

PART 4 RECONCILIATIONS OF CHANGES IN RESERVES AND FUTURE NET REVENUE

4.1 Reserves Reconciliation

N1 51-101
Reconciliation of Company Gross (1) Reserves (Before Royalty)
By Principal Product Type
As of December 31, 2008
Forecast Prices and Costs ¹

	Light and Medium Oil			**Associated and Non-Associated Gas**			**Natural Gas Solution**			**Natural Gas Liquids**		
Factors	Gross Proved (Mbbl)	Gross Probable (Mbbl)	Gross Proved Plus Probable (Mbbl)	Gross Proved (MMcf)	Gross Probable (MMcf)	Gross Proved Plus Probable (MMcf)	Gross Proved (MMcf)	Gross Probable (MMcf)	Gross Proved Plus Probable (MMcf)	Gross Proved (Mbbl)	Gross Probable (Mbbl)	Gross Proved Plus Probable (Mbbl)
December 31, 2007	168.3	119.0	287.3	5,679	1,473	7,152	306	199	505	6.0	1.6	7.6
Extensions	-	59.2	59.2	-	384	384	-	133	133	0	7.7	7.7
Improved Recovery	-	-	-	-	-	-	-	-	-	-	-	-
Technical Revisions	77.8	-10.4	67.4	-1,599	-31	-1,630	433	89	522	22.8	6.2	29.0
Discoveries	-	-	-	83	69	152	-	-	-	-	-	-
Acquisitions	190.4	134.9	325.3	2,531	630	3,161	348	226	574	1.8	0.6	2.4
Dispositions	-	-	-	-	-	-	-	-	-	-	-	-
Economic Factors	0.3	0.2	0.5	50	13	63	1	2	3	-	0.2	0.2
Production	-39.7	-	-39.7	-1,642	-	-1,642	-114	-	-114	-9.7	-	-9.7
December 31, 2008	397.1	302.9	700.0	5,102	2,538	7,640	974	649	1,623	20.9	16.3	37.2

(1) Gross Reserves means the Company's working interest reserves before calculation of royalties, and before consideration of the Company's royalty interests.

4.2 Additional changes were due to the differences in the Forecast Prices for December 31, 2007 and December 31, 2008.

	December 31, 2007 Price ($)	December 31, 2008 Price ($)
Oil : Edmonton Par	$88.17/stb	$65.35/stb
Natural Gas (AECO-C)	$6.51/mcf	$6.82/mcf
Natural Gas By Products:		
Butanes	$65.72/stb	$51.15/stb
Pentanes Plus	$90.30/stb	$66.93/stb
Exchange Rate	$1.00 US/CDN	$0.80 US/CDN

4.3 The change in future net development costs of proved undeveloped reserves from December 31, 2007 to December 31, 2008 is as a result of increased cost in drilling, completions and facilities.

4.4 The net change in income taxes are due to increases or decreases in projected net revenues effective December 31, 2008, versus the projected net reserves effective December 31, 2007 and the increase in capital expenditures on properties during fiscal year 2007.

PART 5 ADDITIONAL INFORMATION RELATING TO RESERVES DATA

5.1 Undeveloped Reserves

5.1.1 Proved Undeveloped Reserves

5.1.1(a)

Proved Undeveloped Reserves
By Principal Product Type
Forecast Prices and Costs

December 31 Date	Reserve Category	Light & Medium Oil		Heavy Oil		Natural Gas (non-associated & associated)		Natural Gas (solution)		Natural Gas Liquids	
	Proved Undeveloped	Gross (Mbbl)	Net (Mbbl)	Gross (Mbbl)	Net (Mbbl)	Gross (MMcf)	Net (MMcf)	Gross (MMcf)	Net (MMcf)	Gross (Mbbl)	Net (Mbbl)
2006		32	28	0	0	2360	1894	0	0	0	0
2007		71.4	63.9	0	0	2134	1771	114	89	0	0
2008		83.2	69.3	0	0	0	0	131	112	0	0

5.1.1(b)
Proved Undeveloped Reserves

Proved Undeveloped Reserves are those reserves expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production and meet the proved developed or proved developed producing reserves classification. Total net capital expenditures for 2009 are anticipated to be $808,000.00 with no capital expenditures required for 2010. All Proved Undeveloped Reserves will be developed in 2009 commodity price permitting.

5.1.2 Probable Undeveloped Reserves

5.1.2(a)

Probable Undeveloped Reserves By Principal Product Type Forecast Prices and Costs											
December 31 Date	**Reserve Category**	**Light & Medium Oil**		**Heavy Oil**		**Natural Gas (non-associated & associated)**		**Natural Gas (solution)**		**Natural Gas Liquids**	
	Proved Undeveloped	**Gross (Mbbl)**	**Net (Mbbl)**	**Gross (Mbbl)**	**Net (Mbbl)**	**Gross (MMcf)**	**Net (MMcf)**	**Gross (MMcf)**	**Net (MMcf)**	**Gross (Mbbl)**	**Net (Mbbl)**
2006		10.7	9.6	0	0	169	138	0	0	0	0
2007		92.4	78.4	0	0	327	272	148	121	0	0
2008		109.3	80.9	0	0	538	407	160	124	0	0

5.1.2(b)

Probable Undeveloped Reserves

Probable Undeveloped Reserves are those reserves expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production to meet the proved developed or proved developed producing reserves classification from the current probable undeveloped classification. Capital expenditures for 2009 are anticipated to be $1,559,000 with an additional expenditure of $0 for 2010. The Probable Undeveloped Reserves will be developed in 2009 with minor work in 2010 commodity prices permitting.

5.2 Significant Factors or Uncertainties

Credit Facility Risks

Recent economic conditions have negatively affected the availability of credit and increased the risk that certain counterparties for our oil and gas sales, financial derivatives, and our operating partners may fail to pay.

Commodity Price Risks

The Company's operating results and financial condition are dependent on the prices we receive for our crude oil and natural gas production. These prices have fluctuated widely in response to a variety of factors including global and domestic demand, weather conditions, the supply and price of imported oil and liquefied natural gas, the production and storage levels of North American natural gas, political stability, transportation facilities, the price and availability of alternative fuels and government regulations.

Oil and Gas Reserves and Resources Risk

The value of our Company is based on, among other things, the underlying value of the oil and gas reserves and resources. Geological and operational risks along with product price forecasts can affect the quantity and quality of reserves and resources and the cost of ultimately recovering those reserves and resources. Lower crude oil and natural gas prices may increase the risk of write-downs for our oil and gas property investments. Regulatory changes to reporting practices can also result in reserve or resource write-downs.

5.3 Future Development Costs

5.3.1 Development Costs of Future Net Revenue

Proved Reserves (Forecast Prices and Costs)		Proved Plus Probable Reserves (Forecast Prices and Costs)	
Undiscounted	Discount @ 10%	Undiscounted	Discount @ 10%
$1,318,000	$1,239,000	$3,799,000	$3,484,000

5.3.2 Development Costs of Future Net Revenue (by year)

5.3.2(a)
Proved Reserves (Forecast Prices and Costs)

2009	$1,111,000
2010	$ 113,000
2011	$ 90,000
2012	0
2013	0

5.3.2(b)
Proved Plus Probable Reserves (Forecast Prices and Costs)

2009	$ 3,031,000
2009	$ 216,000
2010	$ 205,000
2011	$ 197,000
2012	$ 145,000

Note: Development costs will be funded by cash flow, and available bank credit

PART 6 OTHER OIL AND GAS INFORMATION

6.1 Oil and Gas Properties and Wells

Petro-Reef's Alexander property represents 96.9% of its net present value (for proved plus probable reserves using 10% discounted values – before income taxes). It is located in Central Alberta 35 miles Northwest of the City of Edmonton.

Petro-Reef's gas and oil plant is located on the property and has the following capacity:

a) Natural Gas: 12.0 MMCF/D
b) Sweet Oil: 550 bbl/D
c) Sour Oil: 500 bbl/D

6.1.1 Producing Versus Non-Producing Reserves

Following is the Alexander property to which reserves have been attributed and are capable of producing but which are not producing as of the effective date, the percentage of those reserves to the total reserves, and the percentage of those reserves that are non-producing as of the dates indicated.

6.1.1(a)
(i) Alexander Total Proved plus Probable Reserves (as of December 31, 2008)

CRUDE OIL & NATURAL GAS LIQUIDS			NATURAL GAS *		
	Company			Company	
Gross Mbbl	Gross Mbbl	Net Mbbl	Gross MMcf	Gross MMcf	Net MMcf
847.4	737.2	621.2	12,242	9,194	7,007

(ii) Total Proved plus Probable Developed Non-Producing Reserves and Undeveloped Reserves (as of December 31, 2008)

CRUDE OIL & NATURAL GAS LIQUIDS				NATURAL GAS *		
Company				Company		
	Gross Mbbl	Gross Mbbl	Net Mbbl	Gross MMcf	Gross MMcf	Net MMcf
	323.7	269.1	216.3	3847	2,990	2,449
Percentage of Total Reserves Non-Producing	38.2%	36.5%	34.8%	31.4%	32.5%	35.0%

* Includes solution gas

6.1.1(b)

Other Properties

Other properties represent 3.1% of the total net present value (before income tax) with approximately 95% of those properties producing. The other properties are all non-operated.

6.1.2 Producing Versus Non-Producing Oil & Gas Wells:

Following is a list of oil and gas wells (gross and net) which are producing and non-producing (@ December 31, 2008). All the oil and gaswells are in Central Alberta, Canada.

Production is as of December 31, 2008

	Oilwells		**Gaswells**	
	Gross	Net	Gross	Net
Producing	6	5.18	13	9.68
Non-Producing December31, 2008	1	0.84	-	-
Non-Operated	-	-	8	1.11

Note: Only wells which have reserves assigned by the qualified independent reserves evaluator have been reported.

6.1 Properties With No Attributed Reserves

6.2.1 Unproved Properties [(1)]

Location	**Gross (Acres)**	**Net (Acres)**
Total Unproved Properties	15,651.5	13,868.4

Note 1: Unproved Properties are those lands which have no reserves assigned by the independent reserves evaluator.

There are no work commitments required for fiscal year 2009.

6.2.2 The net area of unproved property which is expected to expire in fiscal year 2009 is 2562.3 acres gross (2,555.9 acres net).

6.3 Forward Contracts

The Company is not bound by any agreement (including any transportation agreement) which would preclude it from fully realizing future market prices for oil or gas.

6.4 Additional Information Concerning Abandonment and Reclamation Costs.

a) Petro-Reef estimates abandonment and reclamation cost based on historical average costs for the area net of salvage value at $30,000 per well.

b) Undiscounted cost to the Company is estimated at $766,000 for reclamation and abandonment as determined by the independent engineering evaluators.

6.5 Tax Horizon

The Company does not expect to be required to pay income taxes for its 2008 financial year. It is anticipated that taxes will become payable for fiscal year 2010.

6.6 Costs Incurred (for fiscal year 2008)

6.6.1 Cost for COGPE, CEE, and CDE ($)

a) Property acquisition costs (COGPE) = $10,688,843
b) Exploration costs (CEE) = $ 3,561,955
c) Development costs (CDE) = $ 4,178,274
d) Class 39 & 41 = $ 3,691,892
e) Other = $ 140,385
f) Total = $22,261,349

6.7 Exploration and Development Activities

6.7.1 Wells for fiscal year 2008

Exploration wells	2	Gross	(1.78 net)
Development wells	6	Gross	(4.67 net)

6.7.2 Wells for fiscal year 2008

Gaswells	3	Gross	(1.00 net)
Oilwells	4	Gross	(3.66 net)
Dry Holes	1	Gross	(0.94 net)

6.7.3 Success Ratio

Gross 7 out of 8 wells = 87.5%
Net 4.66 out of 5.6 wells = 83.2%

6.8 Production Estimates

6.8.1 Production estimates for 2009 (based on Company Interest) are:

Production Estimates (based on Company Interest)
by Principal Product Type
Forecast Prices and Costs

Fiscal Year		Light & Medium Oil		Heavy Oil		Natural Gas (non-associated & associated)		Natural Gas (solution)		Natural Gas Liquids	
	Reserve Category	Gross (Mbbl)	Net (Mbbl)	Gross (Mbbl)	Net (Mbbl)	Gross (Mbbl)	Net (Mbbl)	Gross (Mbbl)	Net (Mbbl)	Gross (Mbbl)	Net (Mbbl)
2009		74.3	64.1	0	0	1262	897	184	154	7.4	5.6

Note: Production estimates are 96.9% from the Alexander property.

6.9 Production History for fiscal year 2008

The following table summarizes certain information in respect of production, product prices received, royalties paid, operating expenses, and resulting netbacks for the periods indicated.

QUARTER ENDED 2008

	MARCH 31	JUNE 30	SEPT. 30	DEC. 31
Production per Quarter (BOE)				
- Crude Oil and NGL's (BBL /day)	92	145	136	146
- Natural Gas (MCF/day)	5,448	5,719	4,407	4,395
- Combined (BOE/day)	1,000	1,098	871	878
Average Price Received				
- Crude Oil and NGL's ($/BBL)	$93.97	$111.98	$112.71	$52.74
- Natural Gas ($/MCF)	$7.90	$9.13	$7.77	$6.61
- Combined (**$**/BOE)	$52.01	$62.98	$56.83	$41.44
Royalties Paid				
- Crude Oil and NGL's ($/BBL)	$11.37	$11.44	$12.67	$6.95
- Natural Gas ($/MCF)	$1.90	$1.91	$2.11	$1.16
- Combined (**$**/BOE)	$11.37	$11.44	$12.67	$6.95
Operating Expenses				
Combined ($/BOE)	$7.35	$9.34	$9.55	$11.35
Netback Received)				
Combined ($/BOE)	$33.29	$42.20	$34.61	$23.14

Notes:

1) Production is stated after BTU adjustment.
2) Before deduction of royalties
3) Netbacks are calculated by subtracting royalties and operating costs from revenues.
4) Natural gas production is reported as part of the combined BOE/ day by converting at 6 MCF per 1 BBL.

Form 51-101F2

Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor

Report on Reserves Data

To the Board of Directors of Petro-Reef Resources Ltd. (the "Company"):

1. We have evaluated the Company's Reserves Data as at December 31, 2008. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2008, estimated using forecast prices and costs.

2. The Reserves Data are the responsibility of the Company's management. Our responsibility is to express an opinion on the Reserves Data based on our evaluation.

   We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook"), prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).

3. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.

4. The following table sets forth the estimated future net revenue attributed to proved plus probable reserves, estimated using forecast prices and costs on a before tax basis and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated by us as of December 31, 2008, and identifies the respective portions thereof that we have audited, evaluated and reviewed and reported on to the Company's management and Board of Directors:

Independent Qualified Reserves Evaluator or Auditor	**Description and Preparation Date of Evaluation Report**	**Location of Reserves (Country)**	**Net Present Value of Future Net Revenue Before Income Taxes (10% Discount Rate)**			
			Audited (M$)	**Evaluated (M$)**	**Reviewed (M$)**	**Total (M$)**
Sproule	Evaluation of the P&NG Reserves of Petro-Reef Resources Ltd., As of December 31, 2008, prepared January to March 2009	Canada				
Total			**Nil**	**52,383**	**Nil**	**52,383**

5. In our opinion, the reserves data evaluated by us have, in all material respects, been determined and are presented in accordance with the COGE Handbook.

6. We have no responsibility to update the report referred to in paragraph 4 for events and circumstances occurring after its preparation date.

7. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

Executed as to our report referred to above:

Sproule Associates Limited
Calgary, Alberta
March 18, 2009

Original signed by Robert Warholm

Robert R. Warholm, P.Eng.
Manager, Engineering

Original signed by Michael Maughan

Michael W. Maughan, C.P.G., P.Geol.
Vice-President, Geoscience

Original signed by Robert Johnson

Robert N. Johnson, P.Eng.
Vice-President, Engineering

FORM 51-101F3

REPORT OF

MANAGEMENT AND DIRECTORS

ON RESERVES DATA AND OTHER INFORMATION

Management of Petro-Reef Resources Ltd. (the "Company") are responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data, which consists of the following:

(i) proved and proved plus probable oil and gas reserves estimated as at December 31, 2008 using forecast prices and costs; and

(ii) the related estimated future net revenue; and

An independent qualified reserves evaluator has evaluated and reviewed the Company's reserve data.

The report of the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report.

The Reserves Committee of the board of directors of the Company has:

a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluator;

b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation and to inquire whether there had been disputes between the previous independent qualified reserves evaluator and management; and

c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The Reserves Committee of the board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has, on the recommendation of the Reserves Committee, approved

a) the content and filing with securities regulatory authorities of the reserves data and other oil and gas information; and

b) the filing of the report of the independent qualified reserves evaluator on the reserves data; and

c) the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

"Theodore M. Donhuysen" Theodore M. Donhuysen President Chief Executive Officer Director	"John Pantazopoulos" John Pantazopoulos Vice President Finance Chief Financial Officer Director
"Alan P. Hallman" Alan P. Hallman Director	"Peter Lubey" Peter Lubey Director
"Jack P. Donhuysen" Jack P. Donhuysen Director	"Huba Sebo" Huba A. Sebo Director
"R. Greg Powers" R. Greg Powers Secretary Director	"Richard W. Devries" Richard W. Devries Director
"Joseph Werner" Joseph Werner Director	